

VZCZCXRO3059
RR RUEHIK
DE RUEHRL #1360/01 3020636
ZNR UUUUU ZZH
R 290636Z OCT 09
FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC 5600
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUCNFRG/FRG COLLECTIVE

UNCLAS SECTION 01 OF 04 BERLIN 001360

SENSITIVE

DEPT FOR EUR/CE
SIPDIS

E.O. 12958: N/A
TAGS: [PGOV](#) [PINR](#) [GM](#)
SUBJECT: THE NEW GERMAN CABINET - AN OVERVIEW

Ref: Berlin 1337, Berlin 1340, Berlin 1167

BERLIN 00001360 001.2 OF 004

¶1. (SBU) Chancellor Merkel's new Cabinet emerged early on October 24 after a month of intense media speculation about its make-up; it contained several surprises. Perhaps the most unexpected announcements were that of former Interior Minister Schaeuble as Finance Minister and former Economics Minister Karl-Theodor zu Guttenberg as the new Defense Minister. The Christian Democratic Union (CDU) will run the Chancellery as well as six ministries and have a minister without portfolio, the Free Democratic Party (FDP) will hold five as well as the Vice Chancellorship, and the Christian Social Union (CSU), three. The ministerial competencies and their names remain unchanged. Following is a short description of Merkel's new Cabinet, which was formally sworn in on October 28:

Chief of the Chancellery and Minister Without Portfolio: Ronald Pofalla (CDU)

Pofalla, 50, takes over from Thomas de Maiziere as the Chancellor's chief of staff. Pofalla is a lawyer and since 2005 served as CDU Secretary General. He is known as a close confidant of Angela Merkel. As Secretary General, he had been criticized as lacking a public profile and not being aggressive enough. From 2004-2005 he served as deputy caucus leader for economics and labor issues in the Bundestag. Also within the Chancellery, Merkel's security and foreign policy advisor Christoph Heusgen remains, as do Maria Boehmer as Minister of State for Migration, Refugees and Integration and Bernd Neumann, Minister of State for Culture and Media. Eckart von Klaeden (CDU and a Merkel confidant) becomes State Minister in the Chancellery for coordination with the federal states and parliamentary contacts.

Foreign Affairs: Guido Westerwelle (FDP)

Westerwelle, 47, becomes Foreign Minister and Vice-Chancellor -- as expected. Economic Assistance will not be included in the Foreign office, but the FDP will also control that ministry. Minister of State within the MFA will be Werner Hoyer, who already served in that function under Foreign Minister Klaus Kinkel from 1994-1998. He also was Westerwelle's foreign policy adviser in the election campaign. He will cover all divisions apart from "culture" and "economics and sustainable development." The other Minister of State is Cornelia Pieper, deputy FDP chairperson, who has no experience in this field and will reportedly focus on cultural and communication issues. Martin Biesel, Westerwelle's Bundestag chief of staff, will become a State Secretary within the MFA to coordinate the work of the FDP ministries with the Chancellery. Westerwelle has described Biesel as his closest advisor.

Defense: Karl-Theodor zu Guttenberg (CSU)

The CSU's rising star, zu Guttenberg, 37, seemed certain to remain in the cabinet. However, there was speculation that his Economics Ministry seat would be up for grabs. When Economics went to the FDP and Finance to Schaeuble, zu Guttenberg's best fit was in Defense. The DefMin job gives zu Guttenberg the opportunity to work on foreign and security issues again, which was his main area of interest as a parliamentarian. He is seen as a good and capable replacement for Jung, who was widely criticized for being overly cautious and inarticulate in explaining security and defense issues to the German public. Zu Guttenberg is expected to improve the Defense Ministry's image, prestige and weight within the cabinet through his popularity and public relations talents. His appointment has already boosted morale among working level officials in the MOD, who believe that zu Guttenberg will make MOD a real player once again in German security policy debates. He is a transatlanticist and well known in Washington. He will likely give the Defense Ministry a higher profile. He will retain the current Parliamentary State Secretaries Thomas Kossendey (CSU) and Christian Schmidt (CSU).

Interior: Thomas de Maiziere (CDU)

De Maiziere, 55, a lawyer, is a confidant of Angela Merkel and has served as her chief of staff in the Chancellery for four years. He had been mentioned as a potential finance minister, but reportedly, his personal preference was interior. He brings some experience to the job, since he served as state interior minister in Saxony 2004-2005 and as state minister of justice 2002-2004. However, some of the issues he will face as federal interior minister, namely international terrorism, are topics he has less exposure to. De Maiziere is known to be a consensus builder who works the interagency process well and is a good problem solver.

BERLIN 00001360 002.2 OF 004

Finance: Wolfgang Schaeuble (CDU)

Merkel wanted a political heavy weight in this difficult position during the financial and economic crisis. Schaeuble, 67, is an experienced, strong and well established politician from Germany's southwest, who is expected to fill his new role quite well. He has by far the longest federal government experience in Merkel's cabinet. Confined to a wheel chair since he was shot during a campaign rally in 1990, the conservative politician from the German southwest is not known as a close friend of Chancellor Merkel's. A member of the Bundestag since 1972, he is pragmatic, copes well with pressure, and is known for his fierce loyalty. He does not shy away from confrontation and will be ready to pursue unpopular or controversial measures. In light of his age and his political standing, he does not have to fear any consequences for his future career, which a younger candidate would take into consideration. While he had to give up the Interior Ministry (which he reportedly liked very much), he is being compensated by running one of the most influential ministries in the cabinet. While he cooperated well during the coalition talks, political observers would have expected major clashes with FDP Justice Minister Leutheusser-Schnarrenberger over domestic security issues if he had remained in the Interior Ministry.

Economics and Technology: Rainer Bruederle (FDP)

Bruederle, 64, has been deputy caucus chief and economic spokesman of the FDP in the Bundestag. He already served as economic minister in Rhineland Palatinate 1987-1998, where he strongly promoted wine-growers, trade, and small and midsize business. Since 1983 he has been state chairman of the FDP in Rhineland Palatinate and member of the national executive committee and since 1995 deputy national party chairman. Hans-Joachim Otto and Ernst Burgbacher (both FDP) will become State Secretaries within that Ministry.

Labor and Social Affairs: Franz-Josef Jung (CDU)

Defense Minister Jung, 60, was unexpectedly switched to the Labor and Social Affairs ministry. Jung had fallen victim to much criticism during his tenure as Defense Minister and Merkel had been pressured to replace him. Merkel, however, had to find another cabinet post for Jung to maintain a proportional regional representation in the cabinet - Jung's state of Hesse had to be represented. Another reason for Merkel to keep Jung in the cabinet in spite of his weaknesses and previous failures is his loyalty as a minister.

Justice: Sabine Leutheusser-Schnarrenberger (FDP)

Leutheusser-Schnarrenberger, 58, is FDP chairperson and caucus chief in Bavaria. She successfully ran the 2008 FDP election campaign in that state, where the FDP reentered the state parliament after 14 years of absence. She was the FDP's chief negotiator on Justice in the coalition talks. She previously served as Justice Minister under Chancellor Kohl from 1992-1996, but resigned in opposition to legislation allowing electronic eavesdropping of private residences, which was planned by her own government. She has a strong focus on civil rights and data protection, and has been critical of what she views as overly intrusive wiretapping and other electronic surveillance measures (see ref C).

Family Affairs, Senior Citizens, Women and Youth: Ursula von der Leyen (CDU)

Von der Leyen, 51, a medical doctor and mother of seven, had indicated a strong interest in moving to the health portfolio and worked out that respective section of the coalition agreement for the CDU. Merkel reportedly was not interested, however, in the CDU controlling the health ministry in light of the necessary but unpopular reforms and increasing costs of health care for citizens. Since the health ministry went to the FDP, von der Leyen will remain in her current position. In the past few years, von der Leyen has successfully modernized the family policy of the CDU and thus its image in this sector. She is one of Germany's most popular politicians according to public opinion polls.

Health: Philipp Roesler (FDP)

Roesler, 36, is the youngest member of the cabinet and his nomination was a surprise. He is sharp and dynamic and a rising star of the FDP. He was state secretary general, state party chairman and eventually economics minister in Lower-Saxony. He was born in Vietnam and was adopted by a German family. Both Roesler

BERLIN 00001360 003.2 OF 004

and his wife are medical doctors, which gives him some practical background for his new portfolio. Roesler negotiated the health section of the coalition agreement for the FDP.

Environment, Nature Conservation and Nuclear Safety: Norbert Roettgen (CDU)

Roettgen, 44, a close confidant of Chancellor Merkel had also been named as potential chief of staff at the Chancellery. He has worked closely with the Chancellor since her days as caucus chairman 2002-2005. Merkel reportedly appreciates his loyalty and analytical talents. During the financial crisis he became one of her closest advisors. While he does not have a reputation for expertise in his new portfolio, Merkel obviously wanted to position many of her confidants in the new cabinet. Environmental issues, especially climate change, will figure prominently for Merkel.

Education and Research: Annette Schavan (CDU)

Schavan, 54, will keep her current cabinet position. Even though she did not have a prominent record, as a confidant of Angela

Merkel, it was assumed that she would stay on as a member of the cabinet.

Transportation, Building, and Urban Development: Peter Ramsauer (CSU)

Since November 2005, Ramsauer, 55, has served as head of the CSU group in the Bundestag and deputy CDU/CSU caucus chief. As minister for construction, housing and transportation, he will have a huge budget to work with.

Food, Agriculture, and Consumer Protection:
Ilse Aigner (CSU)

Aigner, 44, only became Minister for Agriculture and Consumer Protection in October 2008. She came to this job as an expert on research issues and new to the realities of production agriculture. In her tenure, some parts of the German agriculture community have been critical of her performance, particularly her close relationship to Bavarian Minister President Horst Seehofer. The CSU was interested in keeping this portfolio since agriculture continues to play an important and tactical role in Bavaria.

Economic Cooperation and Development: Dirk Niebel (FDP)

Niebel, 46, has been Secretary General of the FDP since May 2005 and belongs to the inner leadership circle of the FDP. He was named as a potential minister since he made strong contributions to the electoral success of the FDP. His actual expertise would have been labor and social affairs. However, that portfolio went to the CDU. The FDP sought in the coalition talks to have the Ministry of Economic Cooperation and Development (BMZ) merged with the MFA, but failing that, having control of both ministries goes a long way to meeting its concern that BMZ development policy be in line with MFA priorities, especially on key issues like Afghanistan. Media commentary has focused on Niebel's lack of previous experience in development assistance, and how he may essentially serve as a department head under Foreign Minister Westerwelle.

Comment

¶2. (SBU) With five ministries in the new cabinet, the FDP is arguably one of the most powerful junior coalition partners in recent German history in terms of both the number and quality of their cabinet appointments. The Greens had three, mostly junior, ministries in their coalition with the Social Democrats from 1998-2005. The FDP has one more than it had during its last coalition with the CDU. This is due in part to the election outcome in which the FDP had its strongest-ever performance, with 14.6 percent of the vote. CDU officials also describe the appointments as partial compensation for the policy concessions the FDP made during coalition negotiations. The CDU/CSU will have the popular and competent Karl-Theodor zu Guttenberg as Defense Minister, balancing the FDP's control over Foreign Affairs and Development Assistance. Zu Guttenberg -- a strong transatlanticist -- is well-connected in Washington and already has a strong background in foreign and security policy. There has been some criticism that the new Cabinet does not have any representation from eastern states. Merkel responded to the criticism reminding that in fact the Chancellor herself counts as representing the East. End comment.

BERLIN 00001360 004.2 OF 004

¶3. (U) This cable was coordinated with Consulates Frankfurt, Leipzig, Munich, Hamburg and Duesseldorf.

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